



An Economic Development Strategy to Grow the Economy of Fayetteville, Georgia

Presented to



21 April 2016

Project Team

GARNER ECONOMICS provides creative, strategic and executable value to companies, communities and organizations globally.

We are specialists as corporate site location advisors and economic development strategists.



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Project Plan and Methodology

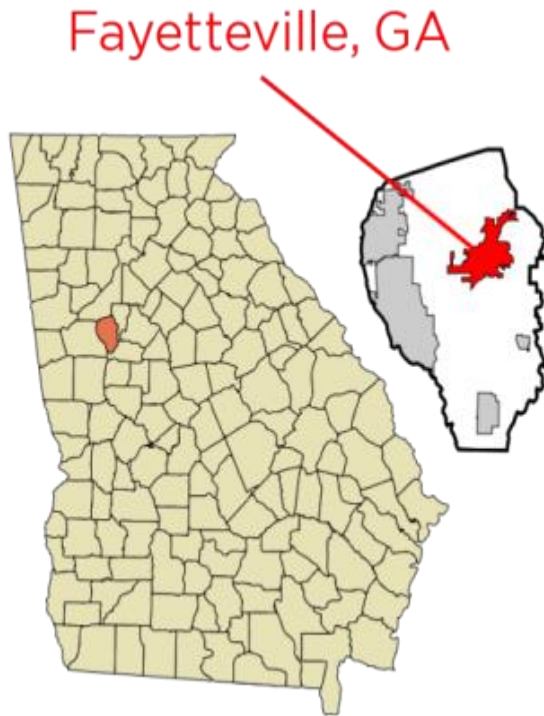
Our Philosophy for Achieving Success

Effective economic development strategies take a holistic approach

- Economic Development = wealth building
- How do you achieve economic development? First, build or strengthen the product. Then, create investment from:
 - ❖ Hunters (recruitment, including tourism) and retail)
 - ❖ Gardeners (entrepreneurial)
 - ❖ Nurturers (support existing businesses)



Desired Outcome



The focus of the engagement was to help Fayetteville's leadership understand the product improvement, marketing, and potential organizational changes it must make to ensure that the City strengthens its competitive position and is able to attract and retain the types of businesses that will create jobs and opportunities for its citizens.

Project Process

Phase 1: Discovery

Task 1.1: Demographic & Economic Analysis	Task 1.2: Labor Market & Cluster Analysis
Task 1.3: Assets and Challenges Assessment (SWOT)	Task 1.4: Retail Analysis
Task 1.5: Business and Industry Target Identification	Community Engagement

Competitive
Realities
Report

Phase 2: Strategy

Business retention	Product planning and development	Entrepreneurship development	Business recruitment and marketing	Workforce needs
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Phase 3: Recommendations & Final Report

High-level implementation plans for actionable items

Product Improvement
Mitigating gaps

Organizational
Effective ED service delivery

Marketing
Targeted business recruitment
Marketing strategy for target sectors

Client
Review/
Feedback

Final Report and Presentation to the City of Fayetteville

Public Input

- Garner Economics held 3 **focus groups** with 52 stakeholders to solicit their perceptions and opinions of the business climate in Fayetteville.
- An electronic survey was distributed to the broader community and garnered 182 responses.



Common Comments & Concerns

Overarching key themes that emerged from both focus group participants and survey respondents include:

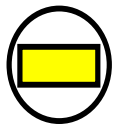
- A desire for more streamlined interaction with the City
- Continuing tensions between encouraging growth in Fayetteville and maintaining the status quo
- The need to improve access to and through the City
- A lack of amenities for younger/all professionals and visitors
- The opportunity to leverage the energy of Pinewood Atlanta Studios
- A desire for regionalism—on the county level
- The desire to recruit companies to Fayetteville, so residents have opportunities closer to home and the City's tax base is increased

Assets and Challenges Assessment

Garner Economics analyzed the City against fifty-one variables—the same that are used when conducting a site/community evaluation for a company that is considering a new location, expansion, consolidation or closure.



Challenge is defined as a weakness of a specific variable determined by Garner Economics either objectively or subjectively. A challenge could be an impediment to economic development success.



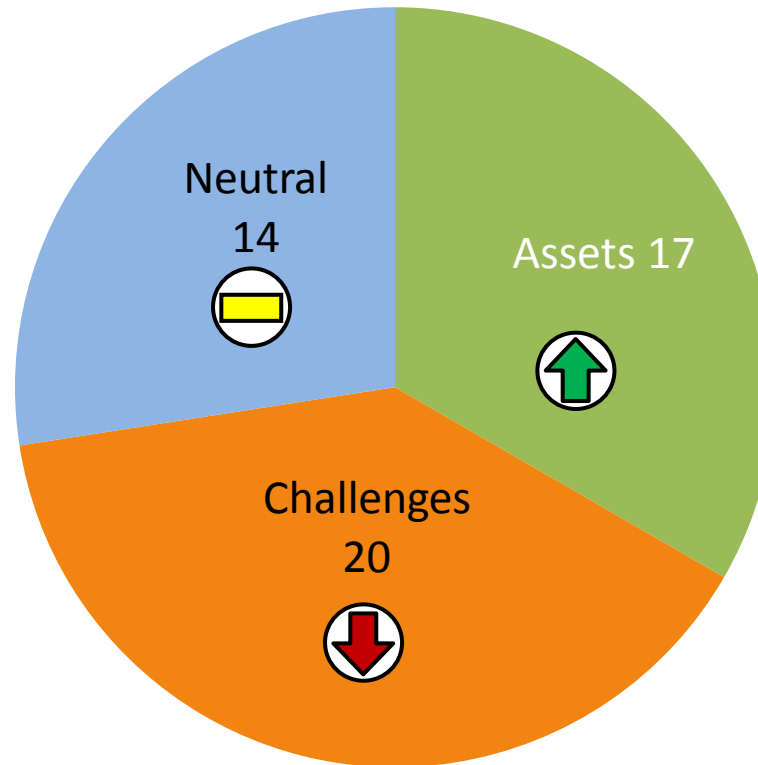
Neutral is defined as a variable that is not a challenge to economic development but is considered normal in the realm of economic analysis.



Asset is defined as a variable that is ranked exemplary and as such should be marketed or noted as such.

Assets and Challenges Assessment

Fayetteville has several challenges. The future goal will be to strengthen those items currently ranked “neutral” or challenge and turn them into assets.



Results of 51
variables
assessed

Strengths

Access to Markets

- Centrally located for major regional market
- Centrally located for national market
- Well positioned to serve international markets
- Within 1 hour of commercial air passenger service
- Broadband availability and speeds

Labor

- Availability of managerial personnel
- Within ½ hour of university/college

Availability of Space

- Availability of fully served and attractive office sites and space
- Availability of fully served and attractive retail space

Strengths

Government Impact on Business

- Availability/capacity of wastewater treatment
- Availability of labor training incentives
- Local property taxes (City of Fayetteville)

Quality of Place

- Availability of executive-level housing
- Cost-of-Living Index
- Level of cultural activity
- Availability of shopping facilities
- Availability of adequate medical facilities

Weaknesses



Access to Markets

- Lack of interstate highway(s)
- Lack of rail service
- Lack of port facilities (inland and/or water)

Labor

- Lack of skilled industrial workers
- Lack of skilled clerical workers
- Lack of technicians and scientists
- Lack of post-secondary vocational training
- Lack of engineering program (local)

Local ED Program

- Lack of adequate level of professional staff
- Lack of local economic development strategic plan(s)
- Low level of leadership support of economic development program
- Low level of funding for the City's economic development program

Availability of Space

- Lack of availability of fully served and attractive industrial sites and space

Weaknesses



Access to Capital

- Lack of availability of venture capital from local sources for business startups or early stage funding

Government Impact on Business

- Low availability/capacity of water
- SAT scores of Fayette County High School related to the benchmarked jurisdictions

Quality of Place

- Lack of availability of apartments
- Lack of availability of recreational opportunities
- Lack of availability of first-class hotels, motels, and resorts
- Lack of variety of local restaurants

Neutral Scores

Access to Markets

- General aviation airport capable of handling corporate aircraft

Labor

- Cost of labor

Resources

- Involvement of both public and private sectors
- Level of cooperation between various organizations involved in economic development activity
- Level of awareness of community regarding economic development

Access to Capital

- Availability of tax-exempt financing for new industrial facilities
- Availability of low-interest loans for small business

Government Impact on Business

- Condition and maintenance of local streets
- Availability and type of local incentives
- Business permitting procedures and costs

Quality of Place

- Availability of moderate-cost housing
- Level of crime
- General appearance of the community
- Appearance of the Central Business District

Fayetteville's Competitive Assessment

Dashboard Indicators

Three Main Sections

- **Demographic & Labor Dynamics**
- **Economic Dynamics**
- **Local Specialization, Competitiveness & Growth**



Compared Fayetteville to Woodstock, GA; Opelika, AL;
the State of GA and the U.S.

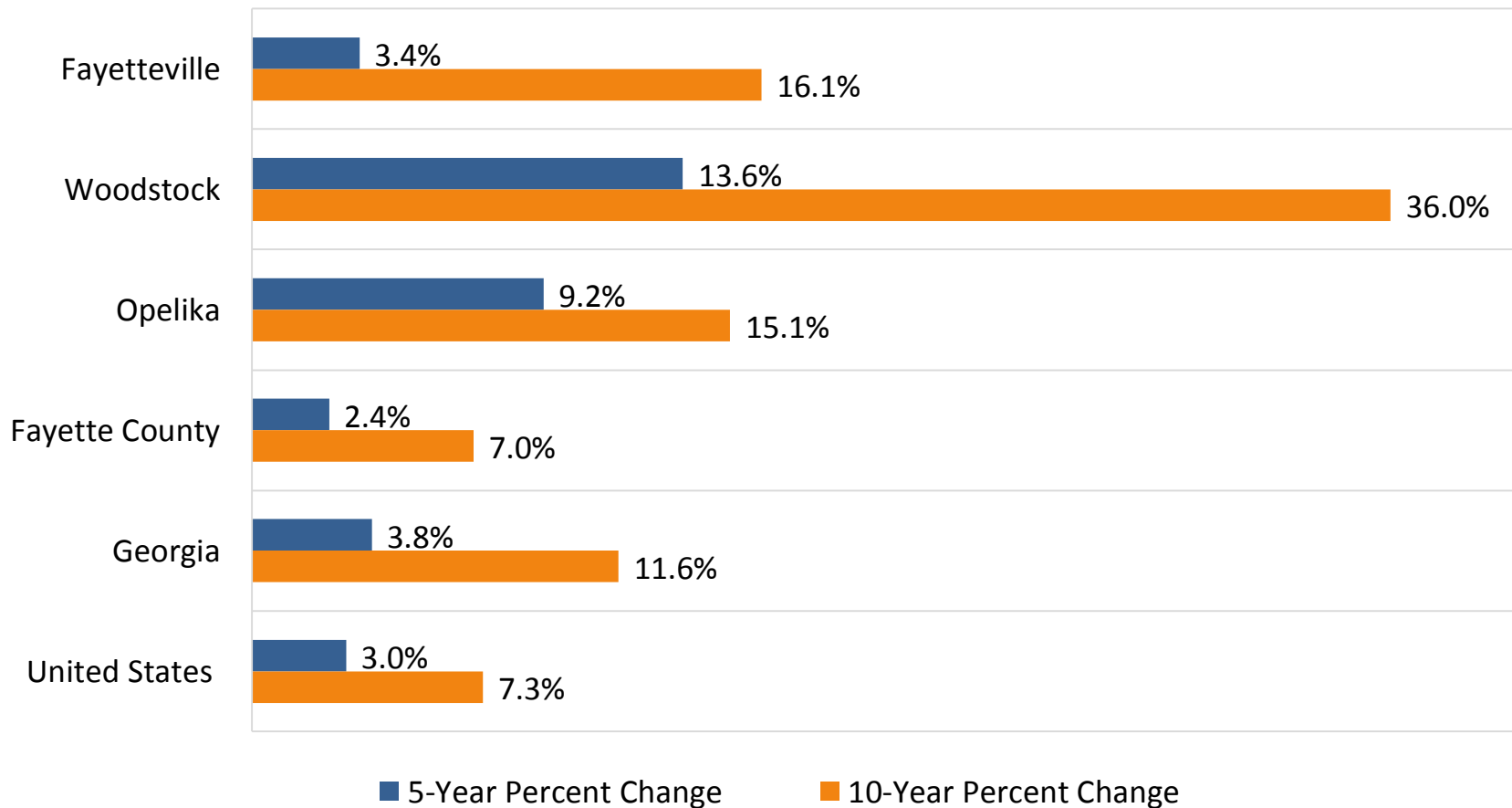
Demographic and Labor Dynamics



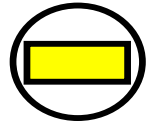
- Population and Growth
- Age
- Crime
- Educational Attainment
- Worker Flows



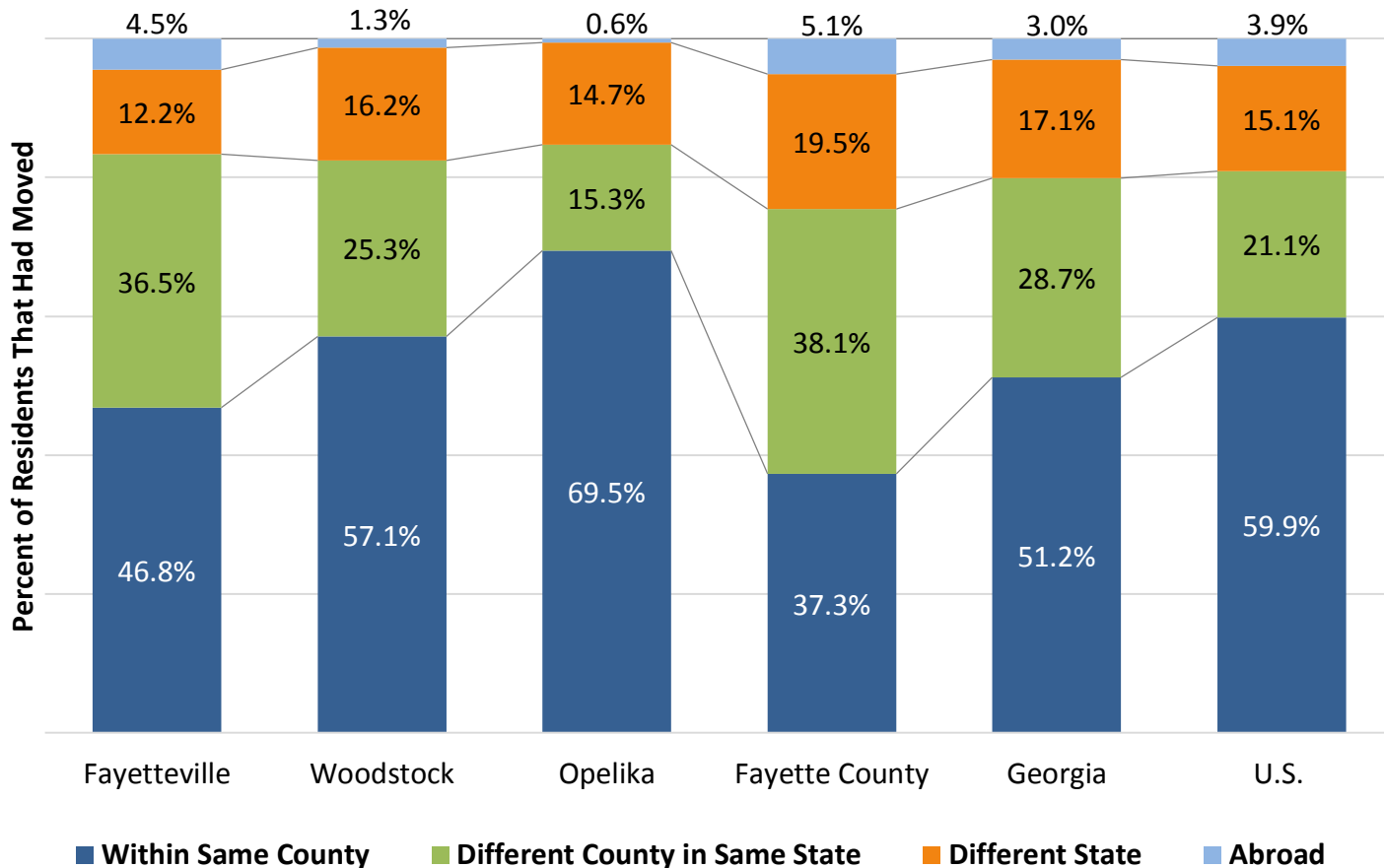
2005-2014 Population Change (%)



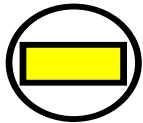
Source: US Census Bureau, Garner Economics



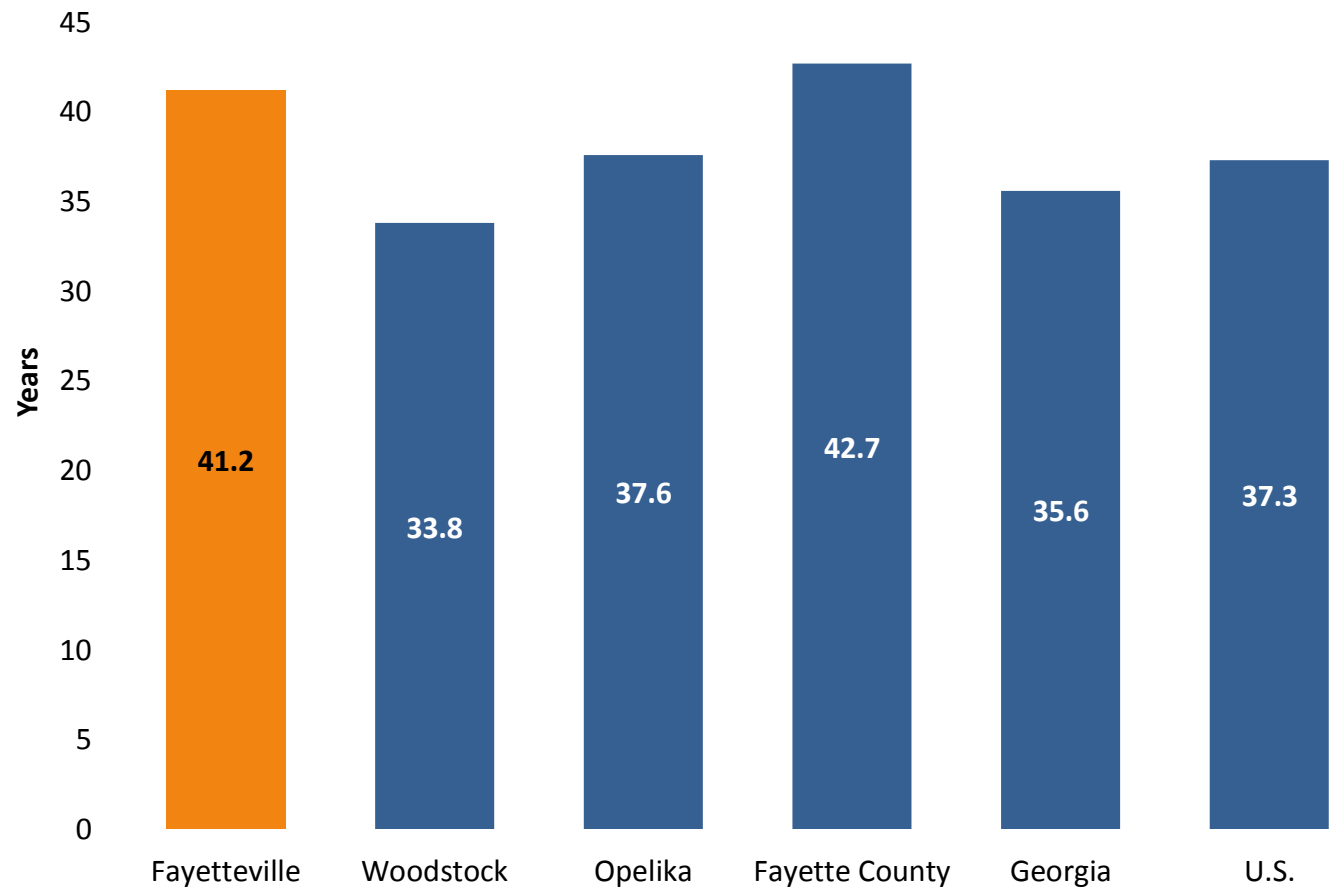
Previous Location of Residents That Had Moved Within Past Year



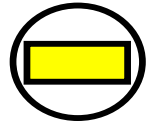
Source: US Census Bureau, American Community Survey 5-Year Estimates, Garner Economics



Median Age

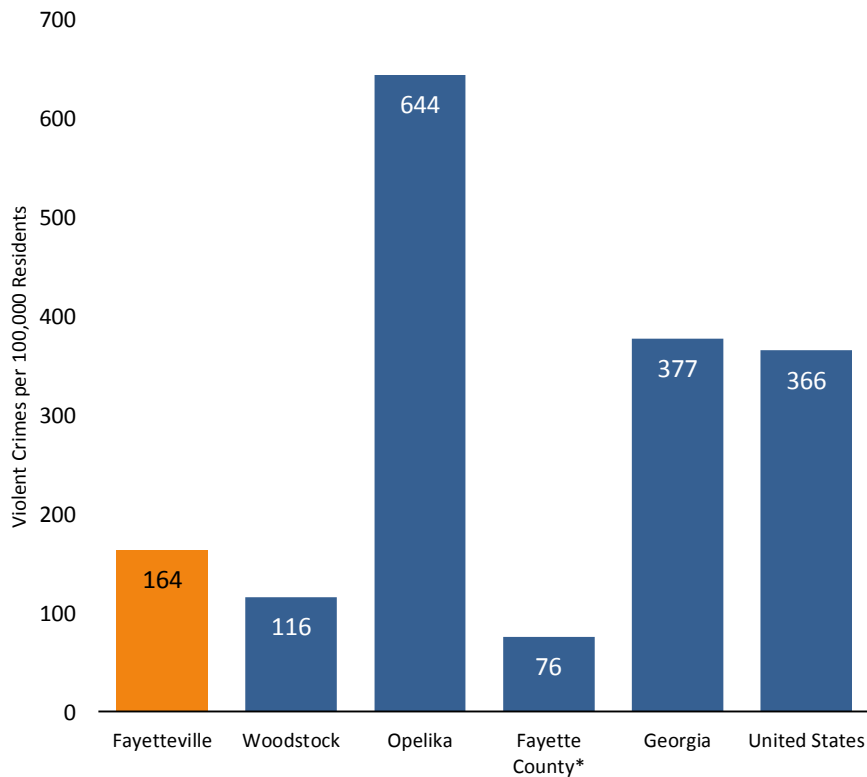


Source: US Census Bureau, American Community Survey 5-Year Estimates, Garner Economics

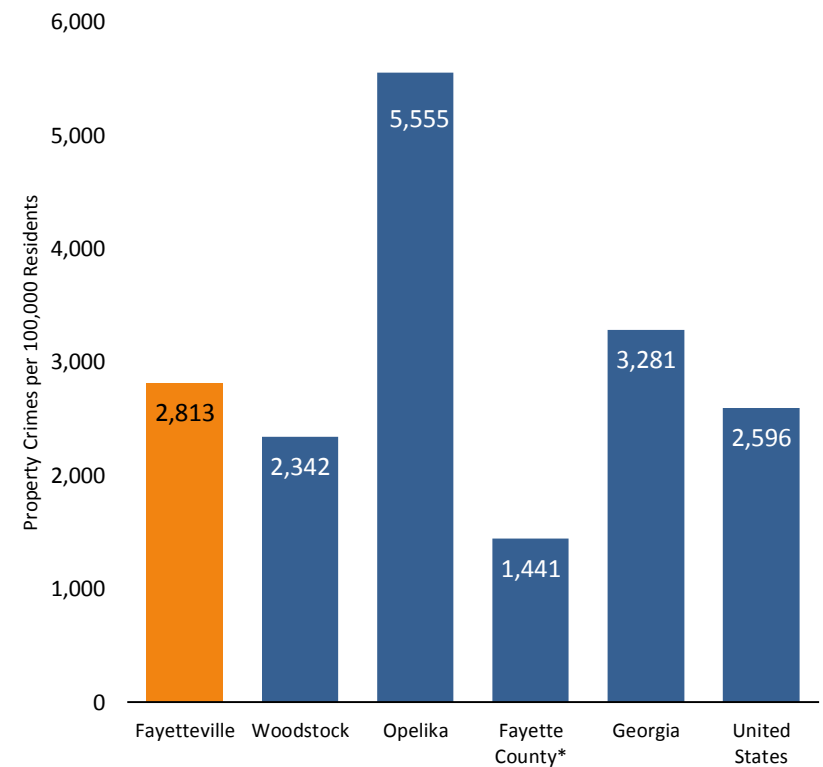


Crime Rates per 10,000 Residents

Violent Crime



Property Crime

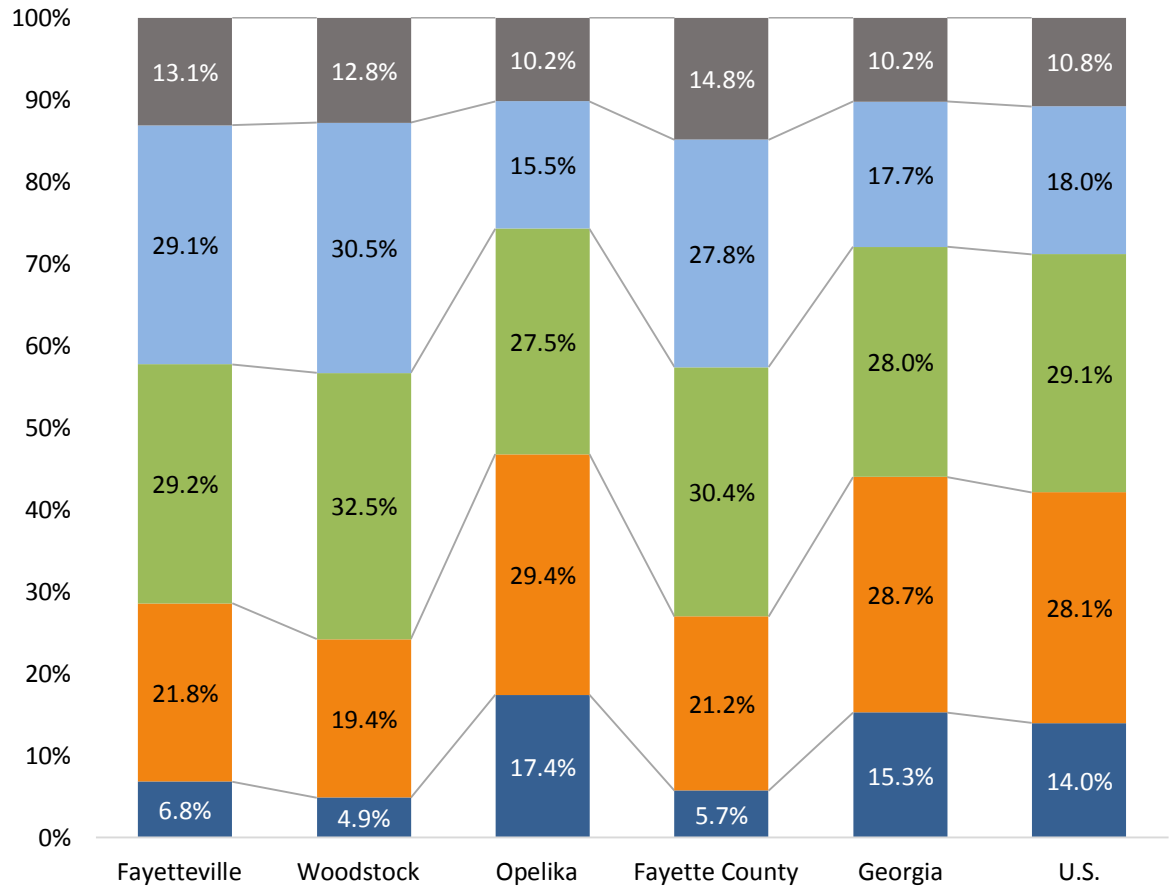


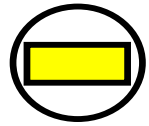


Educational Attainment

% of New Population Age 25+

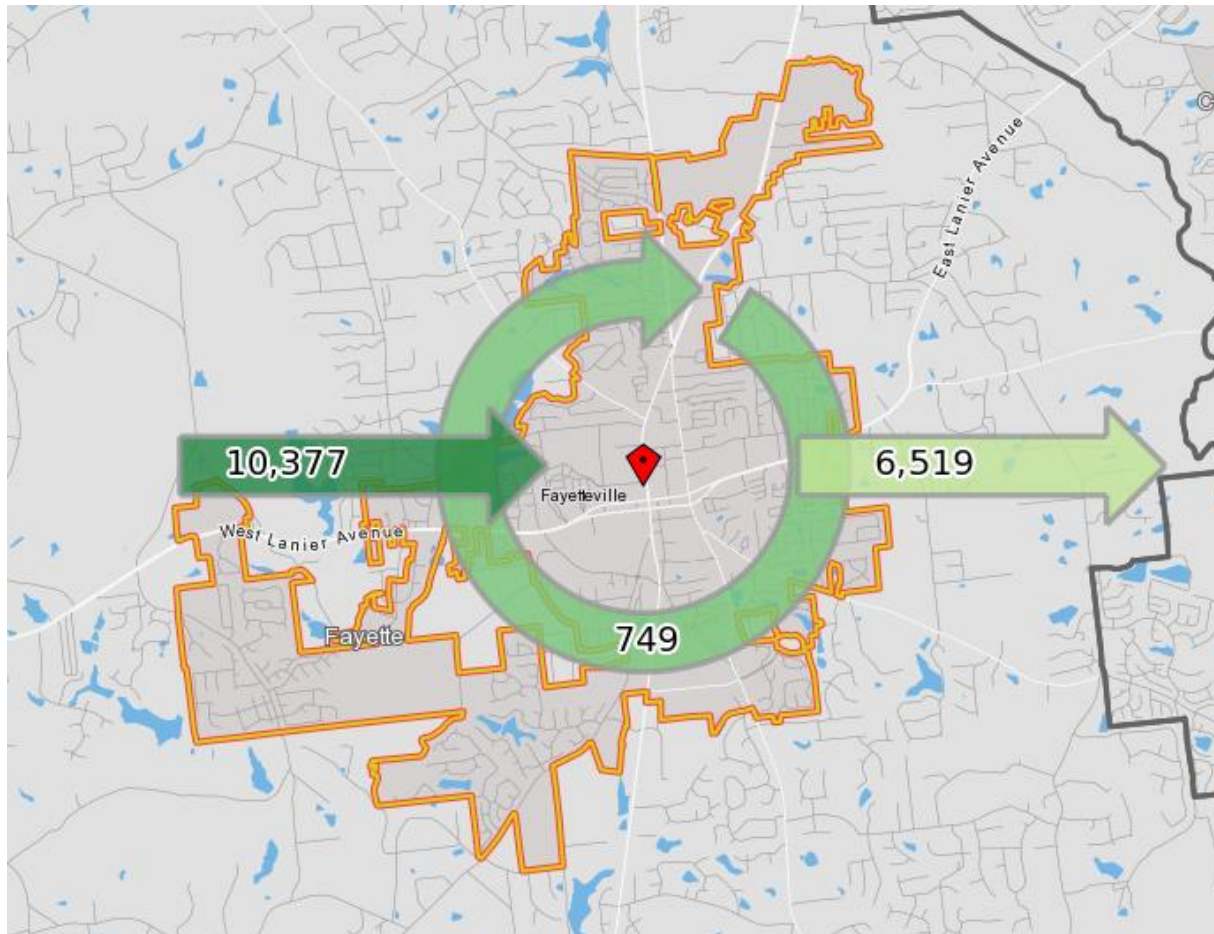
- Less than High School Graduate
- High School Graduate
- Some College or Associates Degree
- Bachelor's Degree
- Graduate or Professional Degree





Commuting Patterns

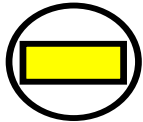
Place of Work of Employed Residence



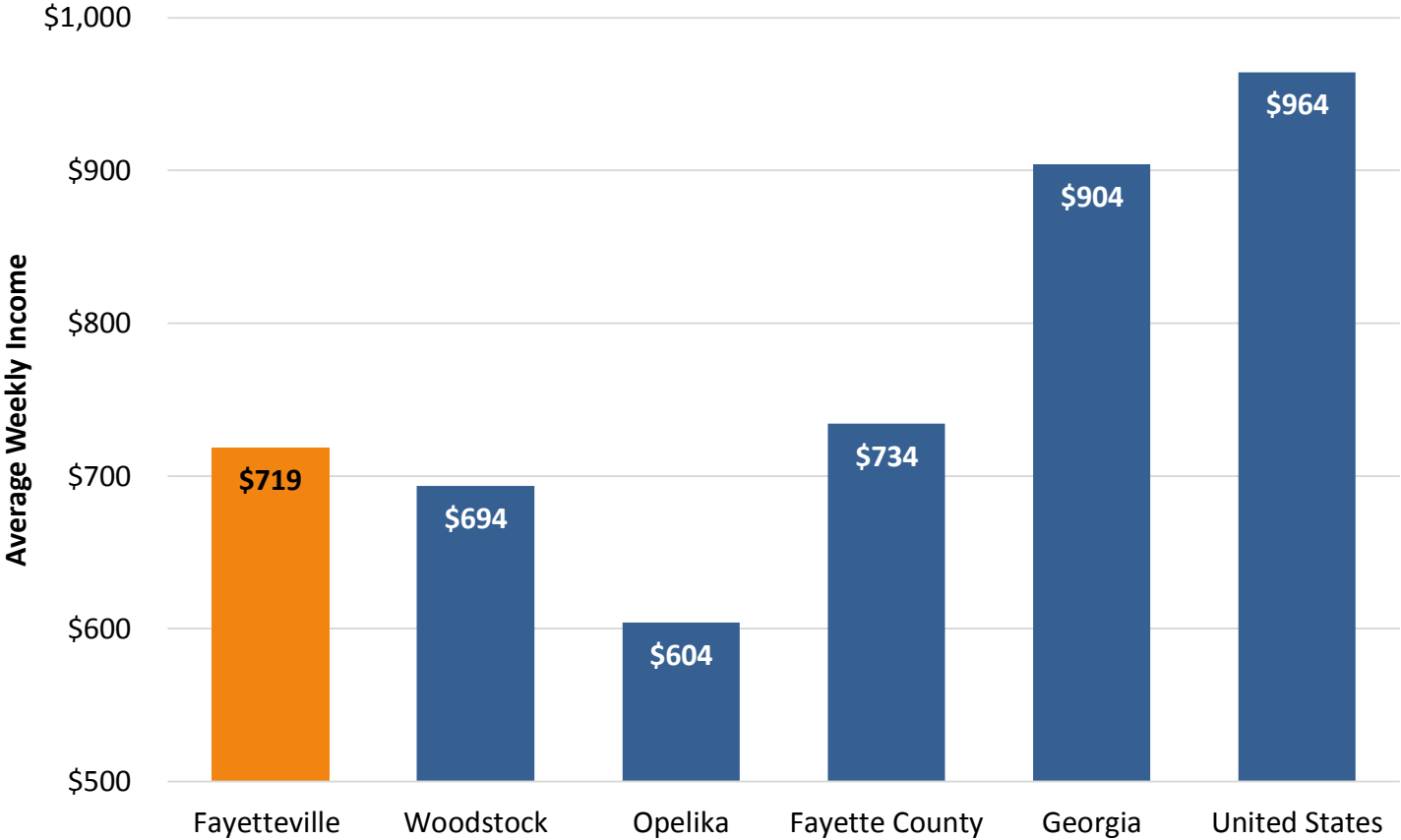
Economic Dynamics



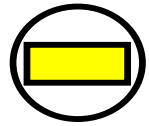
- Wages
- Income
- Self-Employment
- Employment Trends
- Unemployment
- Retail Leakage
- Broadband Access



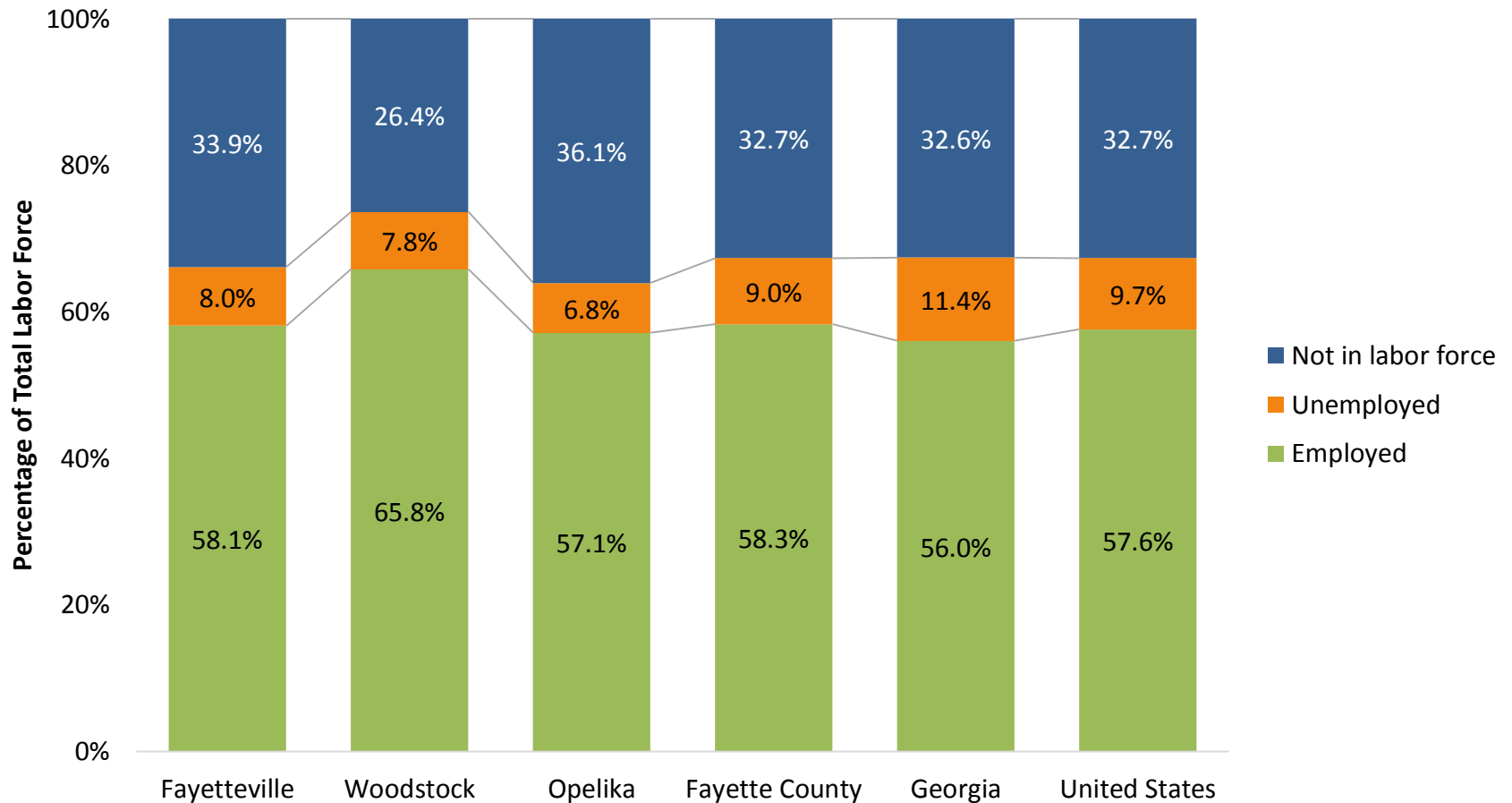
Average Weekly Wage, 2015



Source: EMSI, Garner Economics



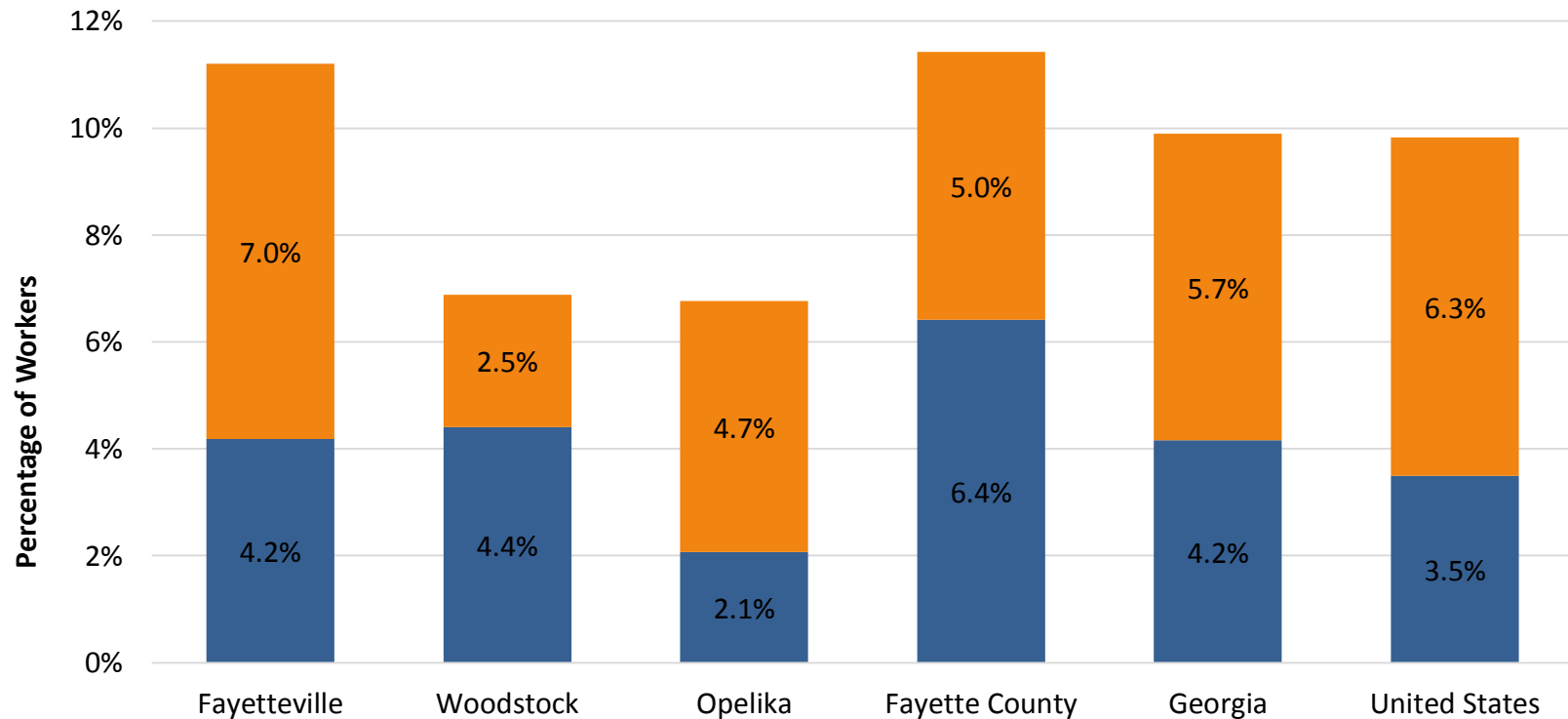
Unemployment and Labor Force Participation, 2013





Self Employed Workers, 2013

As Share of Total Civilian Workers

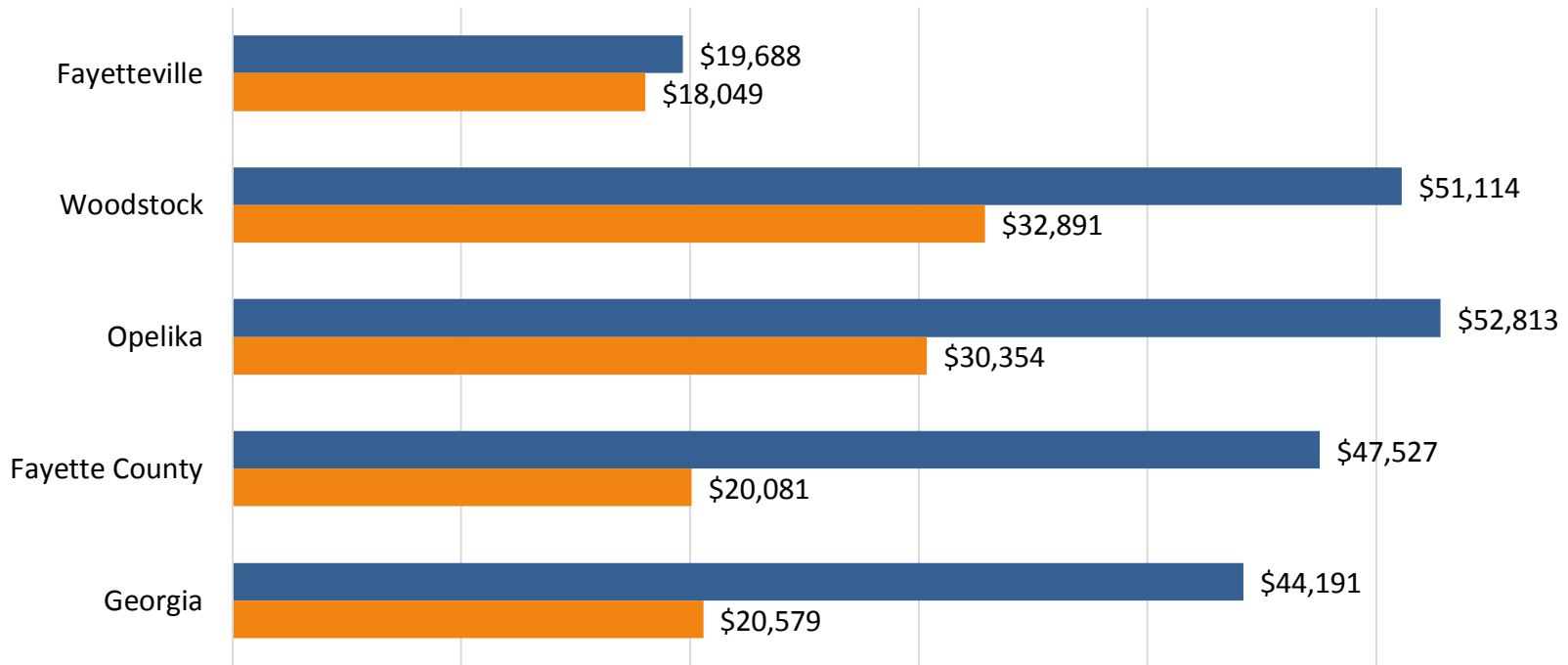


■ Self-employed in own not incorporated business workers and unpaid family workers

■ Self-employed in own incorporated business workers



Median Earnings by Self-Employed Workers, 2013



■ Self-employed in own incorporated business workers

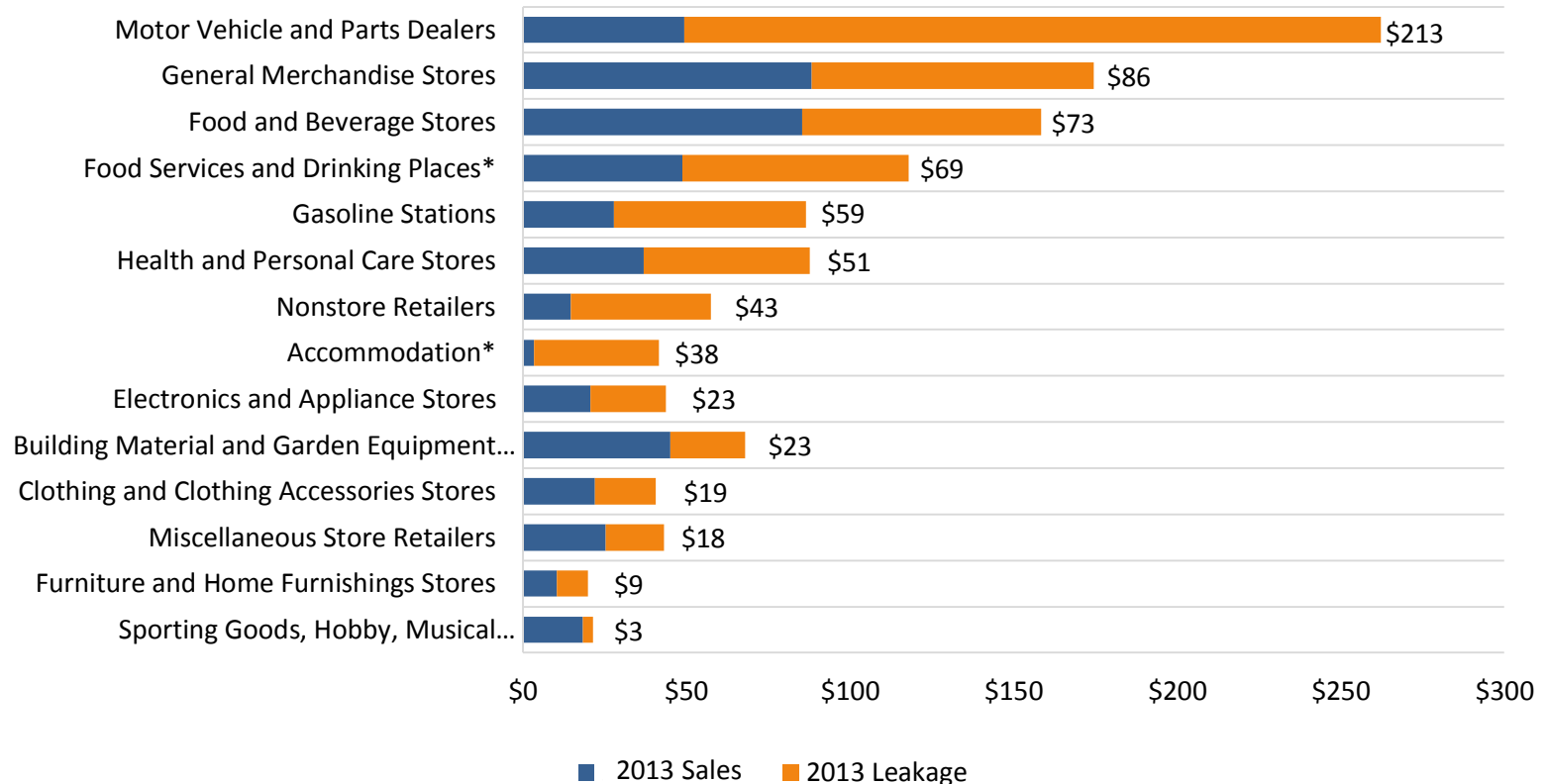
■ Self-employed in own not incorporated business workers and unpaid family workers

Source: US Census Bureau, Garner Economics



Local Retail Sales and Leakage, 2013

(Millions of \$)



** Industries belonging to NAICS 72: Accommodation and Food Services have been included as a convenience. Technically, these are not retail industries.*

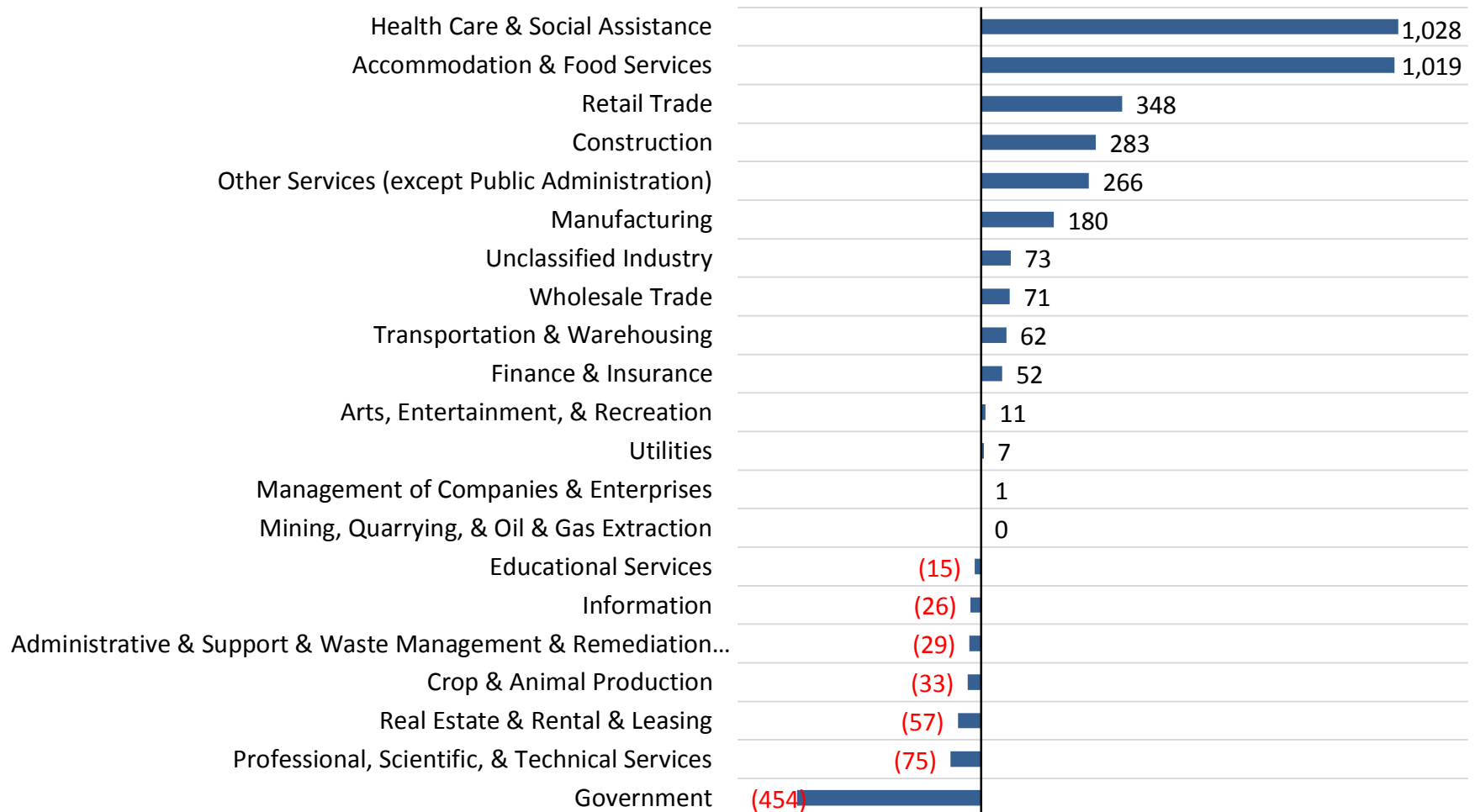
Local Specialization, Competitiveness & Growth



- Industry Sector Change
- Industry Earnings
- Occupational Change
- Occupational Earnings
- Cluster Specialization & Growth
- Cluster Competitiveness
- Occupational Specialization & Growth

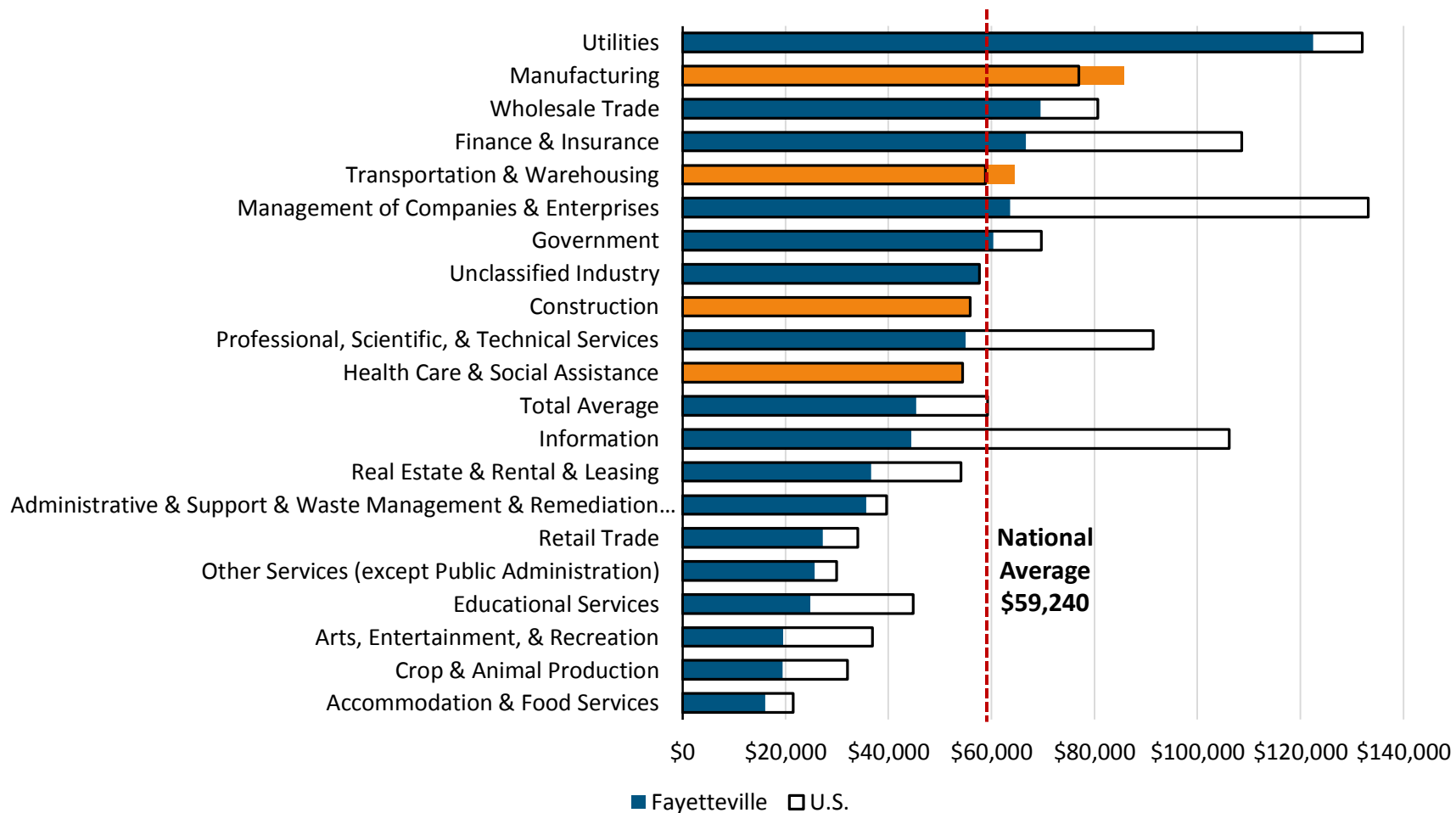
Five-Year Employment Change, 2010-2015

by Major Industry

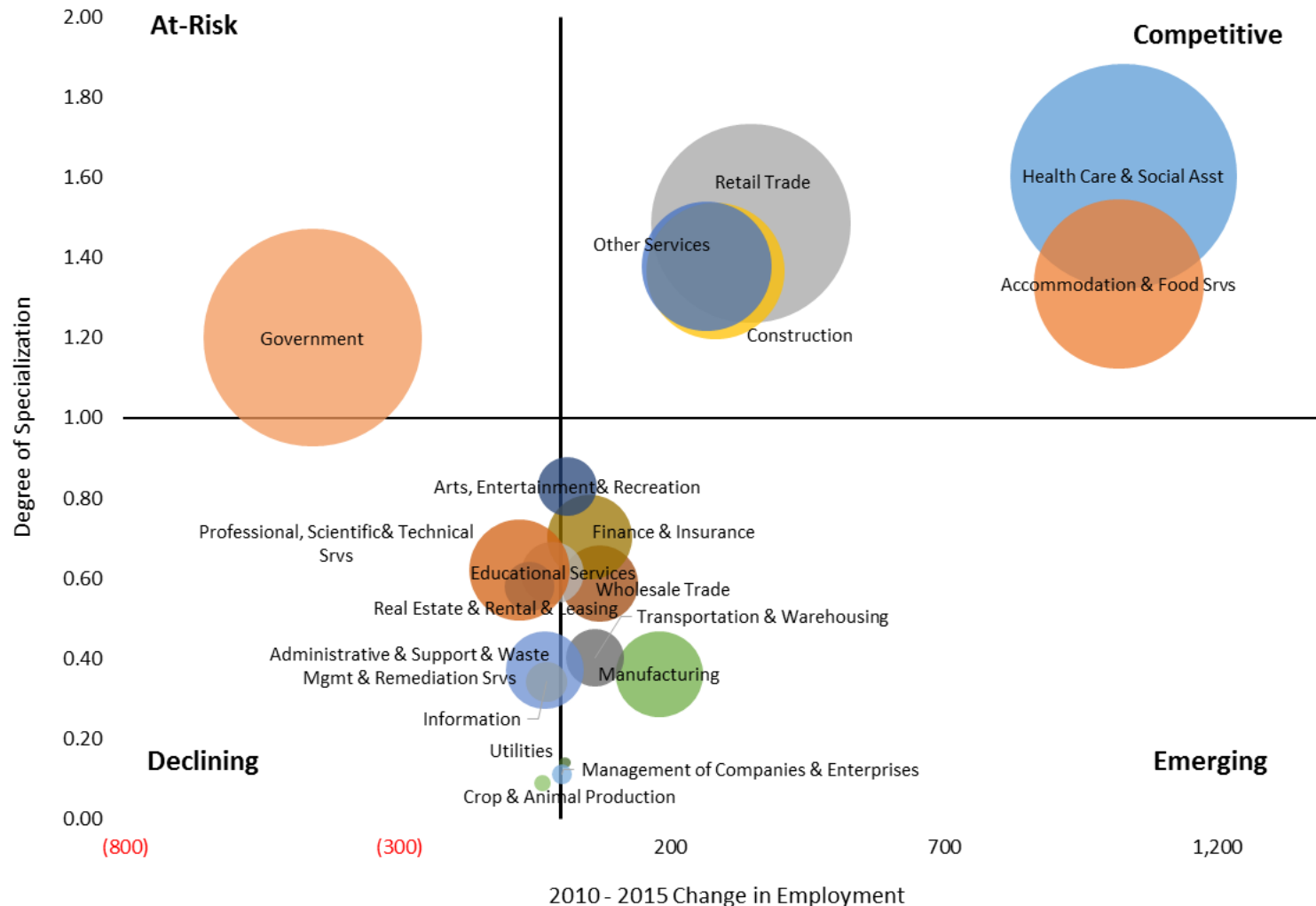


Source: EMSI Q2 2015, Garner Economics

Wages by Major Industry, 2015



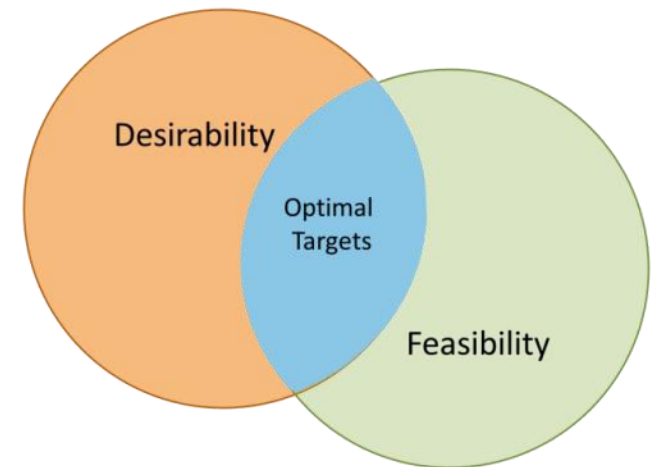
Industry Specialization & Growth, 2010-2015



Optimal Targets

Optimal Targets for Fayetteville

- Based on the site-specific characteristics of Fayetteville and Fayette County
- **Four core industry targets** chosen based on best match with unique competitive advantages in the area



Small Business,
Retail, and Film
Production Support
Services

Professional and
Corporate Office
Users

Computers and
Technology

Health Services



Small Business, Retail & Film Production Support Services

Subsectors	Some Rationales
<ul style="list-style-type: none"> ❖ Local or Unique Retail ❖ Destination/Tourist Attractions ❖ Virtual Jobs & Co-Working ❖ Eating and Drinking Places ❖ Film Production Support: <ul style="list-style-type: none"> → Pinewood Forrest → Catering → Ground Transportation → Staffing Agencies → Agents & Talent Scouts 	<ul style="list-style-type: none"> • Established Main Street development program • Presence of Pinewood Studios and related activity • Availability of fully served and attractive retail space • High rate of population growth in the area • Opportunity to provide employment and entrepreneurship opportunities for local residents • Opportunity to improve quality of retail and dining offerings in the local area • Opportunity to prevent leakage of retail spending • Target subsector 10-year growth rate of 15.2%



Professional & Corporate Office Users

Subsectors	Some Rationales
<ul style="list-style-type: none"> ❖ Regional and Corporate Headquarters for Private and Not-for-Profit Institutions ❖ Legal Services ❖ Accounting, Tax Prep, Bookkeeping, and Payroll Services ❖ Office Administrative Services ❖ Business Support Services 	<ul style="list-style-type: none"> • Centrally located for regional, national, and int'l markets • Proximity to ATL Airport and surrounding businesses • Availability of management personnel • Excellent broadband availability and speed • Ability to attract and retain high-wage workers who out-commute • Average target subsector national earnings of \$85,501 • Target subsector 10-year growth rate of 19.2% • Quality of place assets: cultural activity, historic buildings and areas, medical facilities, low crime rate, availability of shopping and dining, public schools



Computers and Technology

Subsectors	Some Rationales
<ul style="list-style-type: none"> ❖ Management, Scientific, and Technical Consulting Services ❖ Scientific Research & Development Services ❖ Software Publishers ❖ Computer Systems Design and Services ❖ Data Processing, Hosting, and Related Services ❖ Facilities Support Services ❖ High-Tech Light Manufacturing 	<ul style="list-style-type: none"> • Centrally located for regional and national markets • Excellent broadband availability and speed • Availability of technicians and scientists • Availability of office and flex space in local area • Proximity to ATL Airport and surrounding businesses • High rate of population and labor force growth • Competitive wages in <i>Information and Professional, Scientific, and Technical Services</i> sectors • Emerging growth in local <i>Manufacturing</i> sector • Average target subsector national earnings of \$103,214 • Target subsector 10-year growth rate of 20.1%



Health Services

Subsectors	Some Rationales
<ul style="list-style-type: none">❖ Offices of Physicians, Dentists, and Other Health Practitioners❖ Health Services Educational Institutions❖ Outpatient Care Centers❖ Medical and Diagnostic Laboratories❖ Home Health Care Services❖ Nursing and Residential Care Facilities	<ul style="list-style-type: none">• Presence of Piedmont Fayette Hospital• Availability of skilled medical workers• Availability of housing at all income levels• Availability of fully served and attractive office space• High rate of population and labor force growth• High median age in local and regional population• High concentration of employment and strong wages in <i>Health Care</i> sector• Strong growth in healthcare related occupations• Average target subsector national earnings of \$58,753• Target subsector 10-year growth rate of 23.7%

Recommendations



Recommendations Are Built on Two Foundations:

1. Holistic Approach

ED activities should be undertaken in the context of work being done to strengthen not only the City, but also the entire county/region.

2. The City Must Lead

The success of the strategy will depend not only on the changes the City makes regarding how it does business and services its clients, but also on its ability to be a leader within the City for making the case for such collaboration and change.

Recommendations in Three Categories

Execute Effectively	
Enhance the City's role as a leader in economic development by aligning Fayetteville's mission and focus on those areas that will directly impact economic growth.	
Enhance the Product	Tell the Story
Strengthen the infrastructure, talent pool, and business climate of the City so that Fayetteville can attract and retain investment and talent.	Be a better spokesperson for the economic dynamism of the community by effectively communicating and engaging site-location advisors, entrepreneurs, and companies within the targeted business sectors.

Execute Effectively

Enhance the City's role as a leader in economic development in the region by aligning Fayetteville's mission and focus on those areas that will directly impact economic growth.

Actions

1. Reorganize the City's Community Development Department
 - a. Rename the community development department
 - b. Hire an Economic Development Director
 - c. Separate the Planning and Zoning functions



Execute Effectively

Actions

2. Explore expanding the existing Fayetteville Downtown Development Authority to encompass radius business district boundaries
3. Promote the existing Tax Allocation District
4. Make the case for sustainable funding sources
5. Advocate for and develop a realistic and sustainable incentive policy for the City



Enhance the Product

Strengthen the infrastructure, talent pool, and business climate of the City so that Fayetteville can attract investment and talent.

Actions

1. Recruit a vocational tech school or two-year college to Fayetteville
2. Develop a city-sponsored/owned Center for Visual and Performing Arts
3. Implement the key recommendations from the 2010 LCI Urban Study
 - a. Diversify the mix of land uses in the downtown area
 - b. Encourage the development of more residential uses
 - c. Encourage the creation of office and institutional uses downtown
 - d. Create a network of public investments to create a new identity
 - e. Focus on implementing one or more catalyst projects (e.g., performing arts venue or a new City Hall)



Enhance the Product

Actions

4. Create a plan to improve gateways into the City
5. Provide the public free, high-speed Internet access to enhance the visitor and resident experience in the Core Business District and in disadvantaged neighborhoods
6. Conduct a downtown parking study to recommend areas for growth



Tell the Story

Be a better spokesperson for the economic dynamism of the community by effectively communicating and engaging site-location advisors, entrepreneurs, and companies within the targeted business sectors.

Actions

1. Create a separate economic development portal to address the needs of potential investors
2. Partner with local and regional economic development allies to market the City
3. Engage Atlanta area commercial developers about the City's value proposition
4. Create a unified Fayetteville brand

What's Next?

Leadership in Fayetteville will need to:

- Take a more structured and proactive approach to economic development
- Champion long-term investments that will add to the City's product and quality of place
- Ensure that sufficient resources are available to fund such goals
- Balance economic growth with upholding the City's quality of place
- Be more adaptive and flexible to encourage quality investment
- Conduct more proactive marketing



Thank you!

This **Economic Development Strategy** has benefited greatly from the foundational work of City, and the professionalism and contributions of its staff. The many stakeholders who took part in the focus groups and surveys and provided opinion have been a valuable resource to this effort.

Special thanks to:

- Ray Gibson and the entire Fayetteville City staff
- Carlotta Ungaro, Fayette Chamber (Steering Committee member)
- All of the focus group and survey participants
- Fayetteville City Council



Questions?

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